



**MEMORANDUM OF UNDERSTANDING
BETWEEN THE STATE OF CALIFORNIA
AND THE STATE OF BAJA CALIFORNIA ON
ENERGY CONSERVATION AND RENEWABLE RESOURCES**

COOPERATION AGREEMENT BETWEEN THE BAJA CALIFORNIA STATE ENERGY COMMISSION FROM THE UNITED STATES OF MEXICO AND THE CALIFORNIA ENERGY COMMISSION OF THE UNITED STATES OF AMERICA

The State Commission of Energy from the State of Baja California of the United States of Mexico and the Energy Commission from the State of California of the United States of America, are known from now on as "the Parties",

ENTHUSIASTIC for the desire to strengthen ties of friendship and cooperation between two institutions;

INTERESTED in fostering the development of specific programs of technical cooperation on power generation from renewable energy sources, as well as the development of strategies for energy efficiency and conservation;

CONSCIOUS of the importance of sharing experiences that contribute to the strengthening of activities of power generation using renewable sources, developing strategies for energy efficiency and conservation;

The Parties have agreed as follows:

**ARTICLE I
Objective**

This agreement objective is to establish the legal framework so that the Parties undertake cooperative activities in the field of power generation using renewable sources, development of strategies for energy efficiency and conservation.

The cooperation activities in this Agreement will be developed under strict observance of applicable laws, ordinances and rules for each of the Parties and to the principles related to resource administration to each country.

None of the dispositions in this Agreement should be interpreted so that the Parties collaborate in any activity forbidden by law in their respective jurisdictions.

**ARTICLE II
Areas of Cooperation**

To achieve the objective referred in the Article I, the "Parties" shall carry out cooperative activities in the following areas:

- a. Coordinate, execute and promote actions on development and use of energy resources existing within the region.
- b. Promote energy, fuel efficiency and conservation programs.
- c. Promote energy technologies from renewable sources.
- d. Any other area which the parties may agree, in accordance to applicable legislation .

**ARTICLE III
Cooperation Modalities**

To achieve the Agreement's objective the Parties may carry out various cooperative activities including, but not limited to, the following:

- a. Technical training programs for staff;
- b. Exchange of information related to energy efficiency, conservation and use of energy;
- c. Exchange of information related to renewable energy technology;
- d. Exchange of experiences on efficient use of energy saving and utilization;
- e. Sharing experiences on energy efficiency education and culture;
- f. Preparation of studies, diagnoses, evaluations and energy use, efficient use and exploitation;
- g. Any other activity on which the Parties agree.

The operation of this Agreement shall not be conditioned on that the Parties having to establish projects in all fields and forms of cooperation under this article.

The Parties shall not be obliged to collaborate in those activities for which there is an internal prohibition resulting from a law, institutional policy or custom.

ARTICLE IV

Work Programs and / or Technical Annexes and /or Specific Programs Collaboration

The Parties shall form annual Working Programs consisting of activities or projects to be developed, once formalized they will structure an integral part of this Agreement, which must contain the following information:

- a. Objectives;
- b. Work program (Timelines);
- c. Allocation of human and material resources;
- d. Financing;
- e. Responsibilities of each party;
- f. Release of results and
- g. Any other information that the Parties deem appropriate.

ARTICLE V

Financing

The Parties will cover the activities referred in this Agreement with the resources allocated in their budgets, according to their availability, budget impact as required by national legislation.

Each Party shall bear its own costs of participation, except that if it is considered appropriate to use alternative financial mechanisms for specific activities or as the Parties may agree specific financial arrangements for such activities.

ARTICLE VI

Participation of Other Institutions

Parties, if deemed appropriate, may encourage the participation of other public and private institutions whose activities directly affect the areas of cooperation, to strengthen and expand mechanisms to support effective implementation of this Agreement.

ARTICLE VII

Intellectual Property

If as a result of cooperative activities under this Agreement, products of commercial value and / or intellectual property rights are generated, they will be governed by the applicable national law and by international conventions on the matter, binding United States of Mexico and United States of America.

ARTICLE VIII

Information Protection

If during the implementation of cooperative activities under this Agreement, information is identified, material and /or equipment that need to be protected

and classified, the Parties shall inform the competent authorities and shall establish, in writing, the relevant measures.

The transfer of information, materials and equipment not protected and unclassified, will be carried out in accordance with the applicable national law and their use. This transfer will be identified properly.

At the request of either Party, the Parties shall take all necessary steps to prevent the unauthorized transfer or retransfer of such information, material and equipment.

ARTICLE IX

Temporary Import of Equipment and Supplies

Parties will negotiate with the authorities all administrative, fiscal, and customs required for the entry and exit from its territory of all temporary equipment and materials to be used in carrying out projects in accordance with their national law.

ARTICLE X

Monitoring Mechanism

To achieve the best conditions for implementing this Agreement, the Parties each party shall appoint one representative, who will act as coordinator for monitoring the activities of cooperation under this Agreement.

To achieve the best conditions for implementing this Agreement, the Parties shall establish a Working Group or Committee or Joint Committee.

Working Group or the Joint Commission or Committee shall meet annually or as agreed by the Parties to assess aspects arising from the implementation of this Agreement, to be responsible for the following functions:

- a. Review progress and achievements in the implementation and execution of projects in renewable energies;
- b. Establish mechanisms for cooperation in the implementation of this Agreement;
- c. Others that "Parties" agree.

The coordinators will produce reports on progress made and will make known to the appropriate foreign ministries or departments, as well as bilateral bodies that they consider relevant.

ARTICLE XI

Labor Relationship

Personnel commissioned by each of the Parties to carry out cooperation activities will continue under the direction of and dependence on the institution to which they belong. While employees of each Party will work with the other Party, that working relationship will not constitute a change in their employment relationship.

ARTICLE XII

Entry and Exit of Personnel

The Parties will manage and negotiate with their corresponding authorities, all the requirements needed for the entry, stay and departure of participants who are formally involved in the cooperation under this Agreement. These participants are subject to the immigration, tax, customs, health and national security requirements in the receiving country and may not engage in any activity unrelated to their duties without the prior permission of the competent authorities in this matter. Participants will leave the host country in accordance with the laws and requirements.

ARTICLE XIII

Insurance

The Parties shall use their best efforts to ensure that its personnel participating in cooperative activities are covered with health, injury, and life insurance, so that in case of an accident resulting from its development, the personnel are compensated or the damage is repair.

ARTICLE XIV

Liability

The Parties shall have no liability for damages that may arise as a result of unforeseeable circumstances, including a strike by academic or administrative workers.

ARTICLE XV

Other Instruments

Cooperation under this Agreement shall be without prejudice to the rights and obligations which the Parties have assumed under other international agreements to which they are part of.

ARTICLE XVI

Dispute Resolution

Any dispute arising from the interpretation or application of this instrument shall be settled by the Parties in common agreement.

ARTICLE XVII

Final Provisions

This Agreement shall enter into force from the date of signature and shall continue in force for a period of five (5) years, renewable for similar periods, after evaluation, unless either of the Parties expresses its decision to terminate, by written communication addressed to the other with six (6) months in advance.

The Parties agree that this Agreement is not intended to and does not create any legally binding rights or obligations, and will not be enforceable in any court of law or other tribunal of any sort.

This Agreement may be amended by mutual consent of the Parties, formalized through written communications, which specifies the date of entry.

The early termination of this Agreement shall not affect the conclusion of the cooperation activities that have been initiated during its active term.

The parties acknowledge that this Memorandum of Understanding is not intended to create any legally binding rights or obligations, and will not be enforceable in any court of law in the United States of America or the United Mexican States. The parties commit themselves in good will to implement this Memorandum to the fullest extent practicable, subject to any changes in policy that they may adopt.

Signed in the City of Sacramento, California on the 20th day of October, 2009.
Two original copies in English and Spanish, both versions being equally valid.

**FOR THE GOVERNMENT OF THE
STATE OF CALIFORNIA
UNITED STATES OF AMERICA**

**FOR THE GOVERNMENT OF THE
STATE OF BAJA CALIFORNIA
UNITED MEXICAN STATES**

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